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Senator Bond Applauds NFIB Legal Foundation's First Lawsuit

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Senator Christopher "Kit" Bond today applauded the filing of the first lawsuit by the National Federation of Independent Business' new Legal Foundation, which was created to help keep federal agencies from riding roughshod over the interests of the nation's small businesses during rulemaking.

"NFIB's Legal Foundation has taken on yeoman's work with this enterprise, but I am confident its investment will make an important difference for independent and family-owned businesses that need genuine relief from runaway federal regulation," said Bond, Chairman of the Senate Committee on Small Business. "This milestone, first-case supported by the foundation comes on the fifth anniversary of the Red Tape Reduction Act's introduction in the Senate. I couldn't be happier to have NFIB's shoulder to the wheel on this important mission to make federal agencies comply with the law."

The NFIB Legal Foundation was created to help small businesses block ill-conceived or unduly burdensome rules from taking effect under the landmark law drafted by Bond, the "Red Tape Reduction Act" (formally known as the "Small Business Regulatory Enforcement Fairness Act"). The Red Tape Reduction Act, which was signed into law just over four years ago, requires agencies to conduct analyses and involve small businesses in regulatory rulemakings that affect them.

On June 14, NFIB's Legal Foundation filed its first case, which alleges that the Army Corps of Engineers violated the Red Tape Reduction Act by not conducting the required analyses or outreach to small businesses that would be affected by the regulations the Corps recently issued under the Clean Water Act.

The Red Tape Reduction Act, enables small businesses that are affected by new, overly-burdensome regulations to seek judicial review of the regulatory agency's compliance with the law. If a court determines that the agency did not satisfy its obligation, it may block the rule from going into effect and force the agency to reopen the process. The agency then would be directed to step back and appropriately examine the rule's impact on the small business community.

"I am pleased that NFIB accepted this challenge and will help provide America's small businesses an opportunity to have a bigger voice in the

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rulemaking process at the time when it can have the most impact -- before the rule was formally proposed," Bond said. "This law has proven to be effective in forcing agencies to take small businesses into account in their regulations. The creation of the NFIB Legal Foundation will ensure that the judicial review provision of the Red Tape Reduction Act is tested."

On June 16, 1995, Bond introduced the Red Tape Reduction Act in the Senate. The law was passed without a dissenting vote in the Senate and signed by President Clinton on March 29, 1996.

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